

Settlement Memorandum of Understanding

1. Fidelity & Guaranty Ins. Co. ("Fidelity") will pay to the Seekonk Water District/Town of Seekonk, Mass, the sum of Fifty thousand dollars (\$50,000.00);

2. The parties hereto agree to Release all claims asserted in the action entitled Fidelity & Guaranty Ins. Co. v. Star Equip. Corp, et al, #1:04-cv-10250-EFH (D. Mass.) except that Star, Charlene Foran & John Foran do ~~not~~ release Star, and Fidelity do not release claims & defenses they have against each other.

3. This settlement is conditioned upon:
(a) Approval by appropriate municipal authorities; and
(b) Execution of customary release, and settlement agreement.

Dated: March 4, 2006

Seekonk Water District

BY Robert T. Luller CHAIRMAN
BY [Signature] ATTORNEY FOR

STAR EQUIPMENT, by

Charlene Foran

Charlene Foran

John Foran

John Foran

[Signature]
John Foran

FIDELITY & GUARANTY INS. CO.

By its attorney,

[Signature]
Eric H. Loeffler

AS TO FORM:

[Signature]
COUNSEL FOR STAR,
AND THE FORANS

[Signature]
[Signature]